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SUBJECT: GAS STATION WORKERS STRIKE IN GUINEA

¶1. (SBU) SUMMARY. Unionized gas station workers started a nation-wide strike on November 11 in protest of low wages, long working hours, and a lack of contracts and basic benefits. Business owners say they cannot increase wages due to an already too low profit margin resulting from government price fixing and increasing world oil prices. During initial negotiations, employers reportedly agreed to implement a contractual hiring process while workers agreed to suspend the strike and return to work. However, union leaders say that the strike is still in effect and if demands are not addressed, they may reinstate it as early as November 14. END SUMMARY.

¶2. (SBU) On November 13, Embassy staff met with a number of business contacts representing gas stations and their employees. In addition, poloff met with leaders of the Independent Union of Guinean Labor Forces (SIFOG), which represents gas station employees.

¶3. (SBU) Union leaders report that they filed all the necessary paperwork required by law in order to organize a strike. Although some advance notice was evidenced by the long lines of drivers in front of capital gas stations the evening before the strike, one station owner complained that she was unaware of the strike until her employees failed to show up for work the morning of November 11. Gas Station owners throughout the city said that strike activity was generally peaceful with no demonstrations or destruction of property. Despite a significant increase in the number of pedestrians in the streets, people appeared to generally go about their business as usual.

¶4. (SBU) Union representatives told poloff that they organized the strike in order to negotiate better salaries, better working hours, and implementation of contractual hiring practices. Currently, gas station workers earn approximately \$49 a month. Many employees reportedly work from 7:00 AM to 12:00 midnight. Most gas station workers do not have official contracts, which leaves them without benefits and subject to firing without procedure or cause. Union leaders said they have four key demands: contracts for all workers, social security benefits, a 100% increase in salaries, and medical insurance.

¶5. (SBU) Business owners acknowledged that workers' salaries are low, but said they cannot increase wages due to the low profit margin caused by government price fixing. With the per liter price set at approximately \$.80 (as compared to a regional average of \$1.46 according to contacts) and steadily increasing world oil prices, business owners reported that their current profit margin amounts to approximately two and a half cents per liter. Those profits are used to pay salaries, taxes and all operating costs. To maintain profitability, contacts said they need a minimum profit margin of seven cents.

¶6. (SBU) During the first day of the strike, union leaders met with gas station owners, as represented by the Patronat (an association of businesses). During negotiations, they reportedly agreed that employers would begin implementing a contractual hiring process, but as of November 13, employers had not yet signed the agreement as

promised. Union leaders said that while they agreed to go back to work, they will continue to fight in order to meet all of their demands. They added that if no progress is made, they are prepared to reinstate the strike as early as November 14. Business contacts said that the Patronat is convening another meeting on November 13 to discuss the need for a larger profit margin and a strategy for getting the government to adjust the fixed gasoline price.

¶17. (SBU) Several business contacts said that the Guinean government simply cannot afford to maintain the current subsidy level. One credible source reported that the government took a revenue loss of \$3.65 million for October alone, which was the result of tax breaks given to gas vendors as an offset of the fixed price.

¶18. (SBU) COMMENT. The salary issue seems to be the main problem for workers, but there is likely little that business owners can do to address it until the Guinean Government agrees to adjust the gas price or stop fixing the price altogether. The GoG is rapidly losing millions of dollars in much needed revenues in order to maintain the price subsidy, which is a huge budgetary drain. To date, the GoG has been reluctant to adjust the subsidized fuel price, which could be widely unpopular. However, the strike could be a hidden opportunity for the GoG to adjust the subsidized price under cover of meeting worker demands, which may be more palatable to the general population. END COMMENT.

CARTER